

Physician services: assessing payment adequacy and updating payments

ISSUE: In the March 2007 report, MedPAC will address three questions concerning Medicare's payments for physician services: Are current payments adequate? How are costs expected to change in 2008? How should payments for fiscal year 2008 be updated?

KEY POINTS: We examine five factors to determine whether Medicare payments for physician services are adequate:

- Beneficiary access to physician services
- Physician supply
- Private insurer rates compared to Medicare
- Volume
- Ambulatory care quality

We then examine how costs are likely to change in 2008 and present a draft recommendation.

ACTION: Commissioners should review the findings in preparation for making an update recommendation.

STAFF CONTACT: Cristina Boccuti (202-220-3705)